Investment in Tata Tele Services

*79. SHRI NILOTPAL BASU :

DR. AKHILESH DAS :

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state :

(a) whether it is a fact that the VSNL had taken decison to make an investment of Rs. 1200 crores in the TATA Tele Services in its Board meeting;

(b) if so, whether this amount is more than the amount paid by the TATA Group to secure control of the VSNL;

(c) if so, whether this approach is in keeping with the objective with which Government argued to the disinvestment of its ownership and Management of VSNL;

(d) if so, the facts of the transfer agreement which substantiate Government's argument; and

(e) if not, the reasons therefor ?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN) : (a) Videsh Sanchar Nigam Limited (VSNL) management had placed a proposal *vide* agenda item B.11 regarding inter-corporate investment up to the level of Rs. 1,200 crores in the share capital of an Indian company holding BSO licence for consideration of VSNL Boards of Directors in its 127th Board Meeting held on 28-05-2002. As per the agenda item, there was no mention about investment in Tata Tele Services Limited. A Sub-Committee of Directors of VSNL Board, including a Government nominee Director, has been proposed to study matters concerning inter-corporate investment which, *interalia*, includes issues of valuation/price etc.

(b) The amount paid by Tata Group to secure 25% stake in VSNL is Rs. 1439.25 crores.

(c) to (e) Investment decisions by a company, post-disinvestment, would be governed by the provisions of Company Law and those of the Shareholders/

Share Purchase Agreement. Investment which conforms to these regualtions and which enhances the enterprise value of the subject company is in consonance with the spirit and objective of disinvestment. The VSNL Agreements have sufficient safeguards to ensure this, as also to protect other interests of the company and the Government.

VSNL's stake in submarine cable linking

*80. SHRI B.J. PANDA : Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state :

(a) whether VSNL has substantial stake in the 28000 Kilometre long submarine cable linking 15 countries which has since been commissioned;

(b) the amount invested by the VSNL in the project and the cost of the project;

(c) the countries which are parties to the project; and

(d) the benefits that would accrue to the country as a result of commissioning of the above project ?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN) : (a) Yes. Sir.

(b) Videsh Sanchar Nigam Limited has invested US $ 50 million (Rs. 250 crores approximately) in the SAT 3 WASC SAFE Project. The total cost of project is US $ 640 million (Rs. 3200 crores approximately).

(c) Angola, Australia, USA, Belgium, Benin, U.K., Cameroon, China, Cote d'voire, Cyprus, Germany, Reunion Island, Ghana, Korea, Netherlands, Portugal, Mauritius, Nigeria, Gabon, Hong Kong, Singapore, Senegal, Italy, Namibia, Malaysia, South Africa, Thailand, Switzerland, Taiwan, Spain are the other countries who are parties to the project.

(d) The benefits that would accure to our country are :

- Enhanced diversity, better connectivity and capacity